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## BIWEEKLY REPORT

# SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/204

2 December 1963

PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events  
15-28 November 1963

The Chilean press has reported negotiations for the sale of 10,000 metric tons of copper (worth about \$6 million) to Communist China, to be paid for in cash.

The value of Cuba's foreign trade probably will decline moderately from the level of \$1,280 million reached in 1962. Although total trade for the first 8 months of this year was 15 percent below the comparable period in 1962, an expected increase in trade for the remainder of this year relative to that achieved in the last 4 months of 1962 will cause trade for the full year to approach more closely the 1962 level. In 1964, trade is expected to reach the level attained in 1963, with a possibility that this total may even be exceeded. A smaller volume of sugar exports probably will be more than compensated for by substantially higher prices paid by both the Bloc and the Free World.

Following the sale by Mexico to Communist China of 16,000 bales of cotton and 150,000 metric tons of wheat (and the possible sale of an additional 150,000 metric tons of wheat), the Chinese Communists have continued to expand their activities in Mexico in connection with the trade fair planned for January 1964 in Mexico City. Limitations on the entry of Chinese Communist personnel in connection with the fair allow the entry only of officials connected with the exhibit and the trade mission, but merchandise and propaganda continue to arrive in large quantities.

Iraq has reached an agreement in principle with the USSR to place Soviet missiles in storage rather than to withdraw them as previously requested by the Iraqi Government. Other Soviet military aid equipment continues to arrive, including in October six MIG-21 jet fighters which completed deliveries under the September 1962 agreement.

Soviet deliveries of military equipment to the UAR in November include at least 20 SA-2 missile launchers, 4 motor torpedo boats, and 100 military trucks. Although the UAR had previously received a large number of missile trailers, no SA-2 missiles have yet been reported.

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The USSR has underwritten the government of Ceylon's decision to monopolize the domestic distribution of petroleum products by agreeing to supply most of Ceylon's requirements for petroleum products in 1964 at prices comparable to those granted during 1962 and 1963.

Communist China has agreed to provide Ceylon with textile machinery, valued at about \$1 million, under its grant aid program. Proceeds from the sale of the machinery by the Ceylonese Government will be used for the government's program for rehabilitating the rubber industry.

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